



CDL INVESTMENTS
NEW ZEALAND LIMITED

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STOCK EXCHANGE ANNOUNCEMENT

Date 24 May 2022

Subject **REMARKS BY MEETING CHAIR TO ANNUAL MEETING OF SHAREHOLDERS**

Results to 31 December 2021

On behalf of the Directors, I present the Annual Report and the Statement of Financial Accounts to 31 December 2021. I would like to make a few brief comments about the past year.

2021 was another very positive year of sales despite the ongoing pandemic. The result is a credit to the management team and also reflects the continued strong demand we have seen in New Zealand for residential housing and development.

We are particularly pleased that we have been able to deliver relatively consistent results in terms of property sales revenue as well as net profit.

We have also maintained a consistent dividend in some of the most difficult market conditions and you will have received your dividend earlier this month.

We grew our land portfolio last year with the acquisition of 69 hectares in Havelock North which we are rapidly progressing to development. The Iona Block is a very exciting future development which will secure our revenues into the future.

While demand for residential development is still high across New Zealand, the market conditions we see now are certainly different to what we have seen over the last two years.

All of the data we have points to a market that is softening with prices coming off historic highs as mortgage rates increase once again. We expect those conditions and pressures to remain throughout this year.

While we may see some slowing down in sales tempo, we still expect to see strong demand from our developments in Auckland and Canterbury this year. While we do not expect to make major adjustments to our pricing, we will be monitoring the market and our competitors carefully and acting accordingly.

Like everywhere else across the world, supply-chain issues remain and this is something that is affecting all developers and builders in New Zealand.

We believe that we are in a good position with our contractors and sub-contractors to mitigate delays but the global issues in Europe and Asia are being felt in this part of the world too and some delays and cost escalations are to be expected.

Our commercial leasing operations are progressing well with the majority of our units tenanted and operational. The benefits from our commercial tenancies will start to be seen in our results this year.

Overall, the Board expects 2022 to be another positive and profitable year but it is likely to be a year that will be subject to external economic pressures outside our control.

One final matter - with regard to the ongoing judicial review action initiated by the Winton Group to which we are a respondent along with the Crown, there is not much I can say as the matter is to be heard by the Court of Appeal. What I can say is that we were pleased with the High Court judgment and our expectation is that the Court of Appeal will affirm that the High Court was correct.

Managing Director succession:

BK, as this is your last annual meeting, on behalf of the Board and, I am sure on behalf of all shareholders, I would like to thank you for your service to the Company over the past seventeen years. You have led CDL Investments through very interesting and challenging times, not least after the Canterbury Earthquakes. You have provided shareholders with remarkably consistent growth and solid returns over a long period of time and I'm sure that everyone will want me to thank you on their behalf and wish you well for the future.

I am delighted that we have appointed Jason Adams to take your place and this is really a seamless transition as Jason has worked for the company for almost the same length of time you have. Jason, you have big boots to fill but I am sure that with your depth of knowledge of all of our projects, you will be able to carry on our strong and profitable track record into the future.